

IN THE SUPREME COURT OF THE STATE OF DELAWARE

CHARLES E. FLETCHER,	§	
	§	No. 625, 2005
Plaintiff Below,	§	
Appellant,	§	Court Below--Superior Court
	§	of the State of Delaware, in and
v.	§	for New Castle County in
	§	C.A. No. 03C-06-104.
CITY OF WILMINGTON UDAG,	§	
LORAIN WATSON, and	§	
JOSEPH RYCHALSKY,	§	
	§	
Defendants Below,	§	
Appellees.	§	

Submitted: May 26, 2006
Decided: August 11, 2006

Before **HOLLAND, BERGER** and **JACOBS**, Justices.

ORDER

This 11th day of August 2006, upon consideration of the briefs of the parties, it appears to the Court that:

(1) *Pro se* appellant, Charles E. Fletcher, brought an action in the Superior Court against the City of Wilmington Office of Economic Development and two City of Wilmington employees, Loraine Watson and Joseph Rychalsky (collectively “the City”). The complaint alleged, in part, that the City had converted personal property belonging to Fletcher.¹

¹Fletcher’s complaint also alleged trespass to chattel, negligence and negligent supervision.

(2) The City moved for summary judgment on the basis that it had legally acquired the property in question at a sheriff's sale. After a hearing, the Superior Court granted summary judgment and dismissed Fletcher's complaint. This appeal followed.

(3) This Court reviews *de novo* a Superior Court decision granting summary judgment.² We review the record from a perspective that favors Fletcher as the non-moving party.³

(4) The City owned a building that it leased to In-Covenant Community Development Corporation (ICC), a non-profit business incubator that provided retail space to a number of small businesses in Wilmington, Delaware.⁴ ICC leased stations within the building to individual retailers. As part of the leases, ICC equipped the stations with furniture, fixtures, and equipment.

(5) Fletcher leased two fully equipped stations from ICC to operate his businesses, Reenie's Fashions and Intel Graphics. Another retailer, Cynthia

²*Merrill v. Crothall-American, Inc.*, 606 A.2d 96, 99 (Del. 1992).

³*Id.* Moreover, in the interests of justice and for the limited purpose of considering Fletcher's opposition to summary judgment, we have drawn reasonable inferences from Fletcher's unsworn factual assertions and the related non-record supporting documents that he appended to the opening brief.

⁴ICC is the successor and/or assignee of Multi-Plex Tenant Council, Inc. and/or The Multi-Plex Community Economic Development Group, Inc.

Linton, leased a station to operate her business, Gift-A-Day. Fletcher also was employed as ICC's building manager.

(6) In April 2001, ICC faced financial difficulties and owed back wages to Fletcher. To satisfy that debt, by letter dated April 23, 2001, ICC gave Fletcher the furniture, fixtures and equipment in Reenie's Fashions and Intel Graphics.⁵

(7) In May 2001, the City filed a summary possession action to evict ICC for unpaid rent. On May 25, 2001, Linton filed an action against ICC regarding the furniture in Gift-A-Day.

(8) Linton sought injunctive relief to prevent ICC from removing the furniture, fixtures and equipment from the building. By temporary restraining order dated May 30, 2001, the Court of Chancery prohibited ICC from removing furniture, fixtures and equipment from the retail space occupied by Gift-A-Day.⁶

(9) Fletcher moved out of the building and took with him the furniture, fixtures and equipment in Reenie's Fashions and Intel Graphics (the "RF/IG property"). Within days of moving out, Fletcher moved the RF/IG property

⁵Fletcher appended a copy of the ICC letter to his opening brief.

⁶*Linton v. In-Covenant Cmty. Econ. Dev. Corp.*, Del. Ch., C.A. No. 18935-NC, Lamb, V.C. (May 30, 2001) (temporary restraining order).

back into the building, intending to resume his business operations. In mid-June 2001, Fletcher decided once again to move out of the building.

(10) On June 12, 2001, City employees Loraine Watson and Joseph Rychalsky discovered Fletcher in the building, dismantling and removing the RF/IG property. Watson and Rychalsky confronted Fletcher and accused him of violating the Court of Chancery's temporary restraining order. Watson and Rychalsky prevented Fletcher from removing the RF/IG property and reported the incident to the police.⁷

(11) On July 18, 2001, Linton obtained a judgment in the amount of \$8,407.00 against ICC.⁸ Later that month, Linton levied on the furniture, fixtures and equipment over which the City had maintained control pursuant to the temporary restraining order, including the RF/IG property.⁹ ICC appealed Linton's judgment to the Court of Common Pleas.

⁷As a result of the incident with Watson and Rychalsky, Fletcher was indicted on charges of theft, aggravated menacing and harassment. The State entered a *nolle prosequi* on the theft charge prior to trial. A Superior Court jury convicted Fletcher of aggravated menacing and acquitted him of harassment. On appeal, Fletcher's conviction was affirmed. *Fletcher v. State*, 2003 WL 141262 (Del. Supr.).

⁸*Linton v. In-Covenant Cmty. Econ. Dev. Corp.*, Del. JP Ct., C.A. No. J0105007113, Roberts, J. (July 18, 2001).

⁹The record reflects that the City stored the property at the building or at a public storage facility.

(12) In early 2002, Fletcher, who was not a party to the litigation between Linton and ICC and who was unaware of Linton's levy, contacted the City in an attempt to regain possession of the RF/IG property. In March 2002, Fletcher received a letter from Denise Davis, a clerk with the City of Wilmington Office of Economic Development. In that letter, Ms. Davis responded to Fletcher's request to retrieve the RF/IG property and asked that he "contact [her] to set up a more convenient date and time."¹⁰

(13) Linton prevailed on the appeal in the Court of Common Pleas. By order dated June 12, 2002, the Court of Common Pleas entered a default judgment against ICC.¹¹

(14) On July 15, 2002, the sheriff conducted a sale of the levied furniture, fixtures and equipment, including the RF/IG property. The City purchased the RF/IG property at the sheriff's sale. The record reflects that Loraine Watson, the City employee who had prevented Fletcher from removing the RF/IG property on June 12, 2001, was the buyer at the sheriff's sale.

(15) In August 2002, Fletcher, who thought he had been successful in his negotiations with the City for the return of the RF/IG property and who was

¹⁰Fletcher appended the Davis letter to his opening brief.

¹¹*In-Covenant Cmty. Econ. Dev. Corp. v. Linton*, Del. Ct. Com. Pl., C.A. No. 01-08-287, Smalls, C.J. (June 12, 2002).

unaware of the July 15, 2002 sheriff's sale, attempted to retrieve the property from the City. Fletcher was informed that the property had been sold.

(16) In its motion for summary judgment and in its answering brief on appeal, the City argues that, as a bona fide purchaser, it acquired all legal rights and title to the RF/IG property. In the bench ruling granting summary judgment, the Superior Court judge agreed, stating, “[The City] had a right to buy the [RF/IG property] at the sheriff's sale. Okay. I can't go behind it, that's done.”¹²

(17) Summary judgment is appropriate when no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law.¹³ Summary judgment will not be granted if the record indicates that a material fact is in dispute or if it seems desirable to inquire more thoroughly into the facts to clarify the application of law to the circumstances.¹⁴ Furthermore, “[w]here the record for summary judgment purposes is incomplete or conflicting, issues turning on knowledge are not subject to disposition as a matter of law.”¹⁵

¹²Hr'g Tr. at 19-20 (Nov. 21, 2005).

¹³*Cantinca v. Fontana*, 884 A.2d 468, 471 (Del. 2005).

¹⁴*Ebersole v. Lowengrub*, 180 A.2d 467, 468-69 (Del. 1962).

¹⁵*In re Asbestos Litig.*, 673 A.2d 159, 163 (Del. 1996).

(18) A “bona fide purchaser” is one who acquires legal title to property in good faith, for valuable consideration, and without notice of any other claim of interest in the party.¹⁶ A bona fide purchaser of personal property is entitled to retain the property against the real owner.¹⁷ “The bona fide purchaser rule exists to protect innocent purchasers of property from competing equitable interests in the property because as ‘[s]trong as a plaintiff’s equity may be, it can in no case be stronger than that of a purchaser, who has put himself in peril by purchasing a title, and paying a valuable consideration, without notice of any defect in it, or adverse claim to it.’”¹⁸

(19) In Fletcher’s case, we have carefully reviewed the record and the parties’ submissions on appeal. We are unable to say that, as a matter of law and on unquestioned facts, the City is entitled to the legal status and protection of a bona fide purchaser. At the very least, there is a triable issue of fact as to whether the City was a bona fide purchaser of the RF/IG property.

¹⁶Restatement (First) of Restitution: Definitions and General Rules § 13 (1937).

¹⁷See *Rhone-Poulenc Agro, S.A. v. DeKalb Genetics Corp.*, 284 F.3d 1323, 1329 (Fed. Cir. 2002) (collecting cases).

¹⁸*Id.* (quoting *Boone v. Chiles*, 35 U.S. 177, 210 (1836)).

NOW, THEREFORE, IT IS ORDERED that the judgment of the Superior Court granting summary judgment is REVERSED. This matter is REMANDED for further proceedings.

BY THE COURT:

/s/ Carolyn Berger
Justice